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A View from Tokyo on Regional Politico-Military Developments

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Dear Readers,

With its Upper House election over, Japan finally seems to have gained a much-needed political stability. The Liberal Democratic Party (LDP)-Komeito ruling coalition now has comfortable majority in both houses of the Diet, ending a six-year-long “twisted” parliament. Now, in order to sustain public support, the Abe government has to start showing tangible results for its policies. Outside Japan, all eyes are on how Prime Minister Abe will run the government for the remainder of his term. While there is high hope that he will take difficult but important and necessary measures to materialize Abenomics and put Japanese economy back on the solid track for recovery, many are concerned that Prime Minister Abe will pursue his national security policy agenda at the expense of economic policy.

In the United States, the Obama administration continues struggling to deal with the quickly evolving situation in the Middle East while alleviating the concerns in the Asia-Pacific region that US “rebalance” to Asia will not be substantiated. Secretary of State Kerry’s deep engagement in the Middle East Peace process suggests that, as some suspected, the Obama administration’s Asia policy will be run by the White House. In the meantime, the sequestration is gradually beginning to affect US defense establishment, further aggravating the anxiety among Asia-Pacific countries that the United States may not have the wherewithal to sustain its “rebalance” strategy.

In Korea, President Park Geun-hye seems to continue to pursue her “trustpolitik” approach in her Northeast Asia policy. Her first visit to the United States in May was a success, simply because it accomplished the goal of her visit—to start building personal relationship with President Obama. Her following visit to China also seemed to achieve her goal of engaging Chinese president Xi Jinping in the discussion on the approach to North Korea. However, she continues to face challenges at home, without

much progress toward the “economic democratization” she promised. This will likely make Park’s stance toward Japan even more inflexible, potentially putting in risk the so-called “1965 system” under which Japan-ROK relations have developed since the normalization.

This year’s Shangri-La dialogue demonstrated that Southeast Asia’s search for its role as the facilitator of the dialogue of regional security issues continues. Lack of China’s high-level representation at the Dialogue is suggestive of China’s wariness to multilateralize its maritime issues—not only in South China but also in East China Sea.

We hope you will find this short overview and the following analyses of Northeast Asian security developments helpful.

<Tokyo>

On July 21st, the Liberal Democratic Party (LDP) led by Prime Minister Shinzo Abe won a landslide victory in the Upper House election. LDP’s victory ended the “twisted Diet” in Japan, paving way for a much needed political stability in Tokyo. This also marks a real beginning of Abe’s government. It now has to start tackling a host of difficult challenges for Japan and show tangible results.

However, a great deal of anxiety exists both inside and outside Japan that Prime Minister Abe, having consolidated his power base with this big election victory, might instead start pursuing the controversial agenda. In particular, many remains concerned that Abe would try to pursue national security agenda (such as revising the constitution) while he might change the 1993 Kono Statement on comfort women and the 1995 Murayama Statement on Japan’s aggression during World War II.

Despite all these concerns, all the indications so far are suggesting that Abe will focus on economic policy in the near term. In area of foreign policy, however, Abe must continue to face the challenge of rebuilding Japan’s relationship with the Republic of Korea (ROK) and China without compromising on territorial issues and other issues that are of Japan’s critical national interests.

Unless something politically serious happens in Yasukuni shrine on August 15, there will be opportunities for the resumption of ministerial- or higher-level bilateral contacts, if not meetings, between Japan on one hand and China and the ROK on the other, in the second half of 2013. Since prospects for a new round of such contacts greatly depends on “face to be saved”, meaning “which side takes a conciliatory initiative, verbally or in action, first to the other”.

Although careful handling is required for both of these two important bilateral relations, for Japan, China’s Japan policy and that of the ROK are not the same. While the latter has seemingly been more tactical and motivated by the domestic political consideration

(a weak presidency and strong anti-Japan popular sentiments, etc.), Beijing's policy vis-à-vis Tokyo, which is much more strategically crafted and implemented, may not change in the foreseeable future.

<The United States>

In the United States, the Obama administration continues to face serious challenge in implementing the Asia-Pacific "rebalance" while it intensifies its diplomatic engagement in the Middle East.

Secretary of State John Kerry has devoted much of his first eight months in the office to restart the Middle East peace process—an effort that, for now, seemed to have paid off when Israeli and Palestinian agreed to resume the peace negotiations. However, this also means that the United States will revitalize its engagement in the Middle East peace process at the very senior level in the Administration. In addition, the lack of progress in Syria and the worsening political situation in Egypt continue to preoccupy the State Department and U.S. short-term foreign and national security policy.

As U.S. preoccupation with the Middle East continues, Vice President Biden's visit to Southeast Asia sends an important message to Asia that U.S. remains strongly interested in sustaining its "rebalance" to Asia-Pacific region. It is also rumored that Vice President Biden may plan to visit East Asia this fall. Putting together, these trips indicate that the "rebalance" to the Asia-Pacific region will continue to be led by the White House rather than by the State.

However, uncertain fiscal prospect continues to threaten U.S. foreign and national security policies. The Obama administration and the Congress yet to come to an agreement on how to resolve U.S. budgetary problems. This aggravates the risk that the current "sequestration"—an automatic, 10% across-the-board reduction of the federal budget—may continue well beyond this fall into FY 2014.

The Department of Defense (DOD) is responding to the prospect of the sequestration lasting into FY 2014 most intensely, enhancing its effort to avoid it. Earlier this year, the DOD launched Strategic Choice and Management Review (SCMR) under the direction of Defense Secretary Chuck Hagel. On July 31, Secretary Hagel delivered the SMCR findings to the Congress and issued the statement, arguing that the DOD can only make meaningful budget reduction if such reduction is done over a period of time; in other words, abrupt reduction, as forced by the sequestration, will only damage readiness of the US military, cost US lose technological edge, and disrupt operations. While some criticize DOD argument as the reflection of their unwillingness to make hard choices, such a message coming out of the Pentagon further casts doubts on US ability to sustain its "pivot" to the Asia-Pacific region.

<China and the Republic of Korea>

China and the ROK successfully continued their negative campaigns on such issues as “history” or “territories” against Japan where inappropriate remarks or actions made by some Japanese politicians in their official capacities further aggravated the situation. Although their bitter bilateral relations with Japan may eventually hurt economies not only in Japan but also in China and the ROK, their political leadership seems to be determined to continue the current policies. Yet, every top leader in Japan, China and the ROK alike, seems to understand at least for now the negative impact which this potentially dangerous “collision course” may have on the overall situation in East Asia. President Park Geun-hye had a very successful U.S. visit in May. Leveraging the commemoration of the 60th anniversary of U.S.-ROK alliance, Park emphasized “shared value” of supporting liberal international order. Park also used her U.S. visit to personally explain her “trustpolitik” and her call for Northeast Asia Peace Initiative to President Obama, trying to get his support for her engagement with China. Her visit to China is also said to be successful, getting them to discuss the issues of their mutual concerns, especially North Korea.

However, many analysts in the US point out that Park’s summit was a success because two leaders focused on celebrating the 60th anniversary of US-ROK alliance and avoided political difficult bilateral issues, including “123 agreement” negotiation over ROK’s civil nuclear cooperation with the United States and the plausibility of OPCOM transfer to ROK military by 2015. Furthermore, Park’s friendly tone with Xi Jinping alarmed some in Washington, making them wonder whether she may be pursuing the diplomatic approach similar to former Roh Tae-woo, who called for Korea to be a “strategic balancer” between the United States and China. Some also shows particular concern that Park seems to be pursuing a diplomatic approach vis-à-vis North Korea that explicitly excludes Japan, departing from preferred U.S. approach of close US-Japan-ROK cooperation on the issue.

President Xi Jinping’s visit to the United State early June, on the contrary, may not have been as successful as President Park’s. The eight-hour-long, informal and intimate summit meetings and conversations in a Californian resort reportedly didn’t produce much significant results. Instead, these U.S.-China summit contacts might have highlighted a long list of disagreements, rather than agreements. Especially, the so-called “New Type of Major Power Relations”, quite positively reported inside China as the greatest achievement out of the summit meetings in California, was in reality “two different dreams on the same bed”.

<Southeast Asia>

Following his visit to Vietnam, Thailand and Indonesia in January, Prime Minister

Shinzo Abe visited Myanmar on May 24-26 and Malaysia, Singapore and Philippines on July 25-27. It is the first time in Japan's diplomacy that the Prime Minister visits Southeast Asia three times in 6 months. Japan finds growing strategic value in ASEAN member states with the following perspectives. First, ASEAN's dynamic economic growth and growing middle-class continue to provide important economic opportunities for Japan's business sectors. This includes enhancing Japan-ASEAN production networks and exploring new markets such as those in Myanmar and the Philippines. Second, enhancing strategic ties with ASEAN, although such views were not directly addressed, has been an important tool for gaining diplomatic leverage towards China. Thirdly, Japan's deeper engagement in Southeast Asia seeks synergy with the U.S. rebalancing efforts to Asia, in order to ensure U.S. commitment in this region as well as to promote the rule-based regional order.

As the first Japanese Prime Minister to visit Myanmar since 1977, Abe pledged offering supports to the country's commitment for democratization and economic reform since 2011. Japan has paved the way of debt arrears clearance for other creditors of Myanmar, and promised to provide another \$500 million in aid loans.

In his July visits to Southeast Asia, Prime Minister Abe delivered a "Singapore Lecture" at ISEAS Singapore, in which he reiterated the importance of Japan's economic growth through the "three arrows" (monetary policy, fiscal policy and the strategy for growth) without which, he insisted, there can be no fiscal reconstruction, maintenance of Japan's social security system nor strengthening its diplomacy and national security. Although Abe stressed the Japan-ASEAN joint responsibility for securing freedom of navigation on the seas and cautioned against coercion through force, he did not stop there. Abe also tried to reassure ASEAN member states by his positive outlook of having "amicable discussion" with China. This line of thought was not included in his earlier text of speech entitled "New Five Principle for Japanese Diplomacy" in January at Jakarta. [A small but significant difference between these two speeches of Abe's indicates that Japan, in its engagement with ASEAN member states, now better understands the ASEAN's preference for not choosing sides between Japan and China.](#)

Tokyo's approach towards the Philippines, on the other hand, has been more straight-forward as both countries share concerns about maritime security. Prime Minister Abe and President Aquino confirmed the importance of Japan-Philippines Dialogue on Maritime and Oceanic Affairs for promoting cooperation in maritime affairs. They also agreed to promote joint exercises between defense authorities and coast guard agencies. Japan will also provide 10 patrol vessels through a yen loan in order to enhance the capacity of the Philippine Coast Guard.